

*Edward M. Kennedy*

## Health Care Reform: Workers Beware!

**D**rs. Himmelstein and Rest offer a thoughtful examination of the issues involved in reforming the medical aspects of the workers' compensation system. The Health Security Act that I co-sponsored in the U.S. Senate would have done more than guarantee affordable health insurance coverage for every American. It would have made important strides toward coordinating the workers' compensation health care system with the general health care coverage provided to all Americans. Even in the context of universal coverage, however we recognized that the health care provided to injured workers has some unique characteristics.

The legislation would have established a commission to study the system and make recommendations to the Congress.

Workers' compensation reform has been seriously complicated by the failure of health care reform in the last Congress and by the limited scope of active proposals to restrict Medicare and Medicaid coverage. Four fundamental problems demand attention in workers' compensation reform:

- Treatment provided under workers' compensation often focuses on rehabilitative services for conditions not necessarily covered well by traditional health insurance, often requiring specialized skills from practitioners.
- Cost containment tactics, such as co-payments and deductibles, may not be appropriate for workers' compensation which was designed to mitigate the financial consequences of on-the-job injury.
- Providers who treat may also determine the injured worker's eligibility for the treatment.
- For the worker without private health insurance, workers' compensation may be the only way to pay for medical treatment.

In the rush to reduce Medicare and Medicaid spending, the plight of injured workers has been largely neglected. The problem of workers without private health insurance will be dramatically exacerbated by many of the current cost cutting proposals,

should they become law. The Council on the Economic Impact of Health Care Reform predicts that the combined effect of reduced private health insurance coverage and Medicaid reductions under the first Budget Reconciliation Bill that was sent to the President would have increased the number of uninsured from approximately 40 million to as many as 66 million by 2002. The cost of uncompensated care for the uninsured could rise from \$18.3 billion to \$43 billion, at the same time that providers will be under increasing pressure to cut back on services because of Medicare and Medicaid revenue losses. Lewin-ICF, a respected independent consulting firm, predicted that loss of insurance under the bill would produce further cost-shifting to employers. Cost shifting would be aggravated by workers seeking to use workers' compensation coverage in the absence of other insurance.

With little immediate prospect of comprehensive reform, purchasers of health services have turned to managed care strategies and systems to control rising costs. To moderate costs and improve quality, employers may seek to choose the providers whom their workers may use. Will use of managed care be appropriate for injured workers, if the employer chooses the providers who will decide whether the worker's injury is compensable? The long established principle of workers' compensation holds that the right to choose one's own provider and health plan should not be restricted just because one has been injured at work. Thus introduction of managed care, still unproven in workers' compensation, should proceed with caution and be fairly evaluated.

As Himmelstein and Rest note, there is room for improvement in health care for injured workers, but caution is called for. Injured workers should not be asked to surrender the protections that come with their active role in the current system. Nor should they and their families have to pay for needed services no longer available through the workers' compensation system.

Edward M. Kennedy is the senior Senator from Massachusetts and a sponsor of legislation that would have reformed workers' compensation medical care as part of health care reform.

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